



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

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The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**SETTLEMENT OF CONDEMNATION CASE**  
**COUNTY OF LOS ANGELES v. BERTZ DEVELOPMENT, INC., ET AL.**  
**LOS ANGELES SUPERIOR COURT CASE NUMBER BC 286 249**  
**MID-VALLEY COMPREHENSIVE HEALTH CENTER**  
**PARCEL NOS. 1-5, 1-6, 1-7, AND 1-8**  
**THIRD SUPERVISORIAL DISTRICT (3-VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the County Counsel's office to settle the referenced eminent domain lawsuit in the amount of \$2,350,000, plus accrued interest.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The proposed settlement will allow the County to acquire four parcels of property needed to augment the on-site parking for patients, visitors, and employees of the Mid-Valley Comprehensive Health Center.

On November 26, 2002, your Board adopted a resolution of necessity to acquire these parcels by eminent domain and authorized the County Counsel's office to institute condemnation proceedings.

A tentative settlement of the condemnation action has been reached with the property owner. The Board's authorization is now required to complete the settlement and obtain title to the parcels.

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Both the County and the property owner have obtained appraisals of the parcels to be acquired. These appraisals conflict with each other regarding the estimated value of the parcels. The proposed settlement amount is within the range of values established by these appraisals and would constitute a reasonable compromise of the dispute.

The Chief Administrative Office concurs with the County Counsel's office that the proposed settlement is fair and reasonable and would save the significant litigation costs required to present this case to a jury.

### **Implementation of Strategic Plan Goals**

This project is consistent with the County Strategic Plan Goal of Service Excellence since it will enhance the County's ability to provide health care and related services at the Mid-Valley Comprehensive Health Center.

The project is also consistent with the County Strategic Plan Goal of Fiscal Responsibility since the property is being acquired for a fair and reasonable amount.

### **FISCAL IMPACT/FINANCING**

The total amount of the acquisition and settlement is \$2,350,000, plus the interest that accrued on the County's initial deposit in the condemnation proceeding, as described below (estimated to be approximately \$12,000).

The amount of \$2,050,000 was previously deposited into court, on December 12, 2002, as a condition of the County seeking an order of immediate possession of the property in the eminent domain action. This amount was withdrawn by the property owner on March 21, 2003, pursuant to court order. The remaining balance of the settlement, \$300,000, will be paid after Board approval of the proposed settlement.

As approved by your Board on November 26, 2002, funding for the acquisition is provided by a loan from the Asset Development Implementation Fund. The \$300,000 necessary to pay the remaining settlement amount is included in the 2003-04 Capital Projects/Refurbishment Budget under C.P. No. 77038. The Department of Health

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Services will repay the loan through annual payments of \$144,267.24 for 20 years. Funding for the loan repayment is included in the Department of Health Services' 2003-04 Budget and will be requested in future fiscal years.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Mid-Valley Comprehensive Health Center provides health care and related services to an estimated 450-550 people each day. Such services include internal medicine, pediatrics, family medicine, pharmacy, radiology, immunizations, behavioral health, cardiology, dental, endocrinology, ophthalmology, podiatry, and rheumatology.

The Mid-Valley Comprehensive Health Center has on-site parking for 144 vehicles; however, with 179 employees in addition to the daily patient and visitor volume, the on-site parking is not sufficient. The acquisition of the subject property will provide an additional 180 parking spaces.

The subject property is located adjacent to the Mid-Valley Comprehensive Health Center, consists of 2.2 acres of land, and is improved with a parking lot and a 28,073-square-foot one-story building.

Article I, section 19, of the California Constitution and the Eminent Domain Law (Cal. Code Civ. Proc., pt. 3, tit. 7) require that the owner of property condemned by a public agency be compensated for the fair market value of the property taken.

The proposed settlement amount is inclusive of all claims for compensation asserted by the defendants, including compensation for the fair market value of the parcels being acquired, statutory interest, and costs.

### **IMPACT ON CURRENT SERVICES**

Not applicable.

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**CONCLUSION**

The proposed settlement is fair to all parties and is in the County's best interest. Please return one conformed copy of this action to the Auditor-Controller, Chief Administrative Office (Capital Projects), and County Counsel.

Very truly yours,

LLOYD W. PELLMAN  
County Counsel

LWP:MTY:ia

c: David E. Janssen  
Chief Administrative Officer

Violet Varona-Lukens, Executive Officer  
Board of Supervisors

Dr. Thomas L. Garthwaite, Director and Chief Medical Officer  
Department of Health Services